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PAKISTAN'S FOOD SHORTAGE

1. Pakistan is now facing a critical shortage of foodgrains which apparently will require importation of a minimum of 1,000,000 long tons in 1953-54 to avoid a serious famine.
 - a. Of this amount, barter agreements and the Colombo regional aid plan will provide 131,000 tons of wheat.
 - b. Pakistan has allocated foreign exchange to purchase an additional 140,000 tons.
 - c. The remainder of almost 730,000 tons presumably must come from the dollar area or the Soviet bloc.

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2. Pakistan, supposedly a food surplus nation, had exported grain in only two years since it became independent.
 - a. In 1949 it imported 160,000 tons, in 1952 about 882,000 tons; in 1953 imports will probably be even larger.
 - b. In 1949 and 1952 respectively the USSR supplied Pakistan with 126,000 and 150,000 tons of wheat total imports.
3. The testimony of a Point IV official before the Senate Agriculture and Forestry Committee on 20 April 1953 indicated that Pakistan's minimum requirements were 800,000 tons of grain.
 - a. Of this 300,000 to 500,000 tons could be obtained only in the dollar area.

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4. Later information from American diplomatic and Point IV personnel in Pakistan has indicated it needs from 1,000,000 to 1,200,000 tons of grain in 1953.
 - a. The findings of the Reed commission, which has just completed an on-the-spot study, apparently agree with these figures.
 - b. The commission recommends that Pakistan be supplied by the United States with about 700,000 tons of foodgrains to meet immediate needs, plus 250,000 tons to replenish reserves and prevent inflation.
 - c. Its figures apparently do not include the 271,000 tons of grain which Pakistan may obtain elsewhere.

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5. The Pakistani government prefers that American assistance be in the form of a grant in aid, because a loan would eliminate the possibility of furthering borrowing from the World Bank in its economic development program.
 - a. The Reed commission also suggests this form of assistance.

NOTE: According to American press reports of 25 May, President Eisenhower and Republican Congressional leaders have decided to support legislation to provide 1,000,000 tons of wheat to Pakistan.

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